BRITISH COLUMBIA

BC STATS

Ministry of Management Services

Infoline

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- **British Columbia's unemployment rate dropped to 6.9% in October**
- **Charitable donations by British Columbians increased 9.3% in 2003**
- **Fewer British Columbians contributed to RRSPs in 2003, but total contributions were up 1.7%**

Labour Force

- **British Columbia's unemployment rate dropped for the second straight month in October, falling 0.2 percentage points to 6.9% (*seasonally adjusted*).** Strong growth in employment (+0.6%, or 11,800 net new jobs) outpaced the expansion of the labour force (+0.4%, or 9,500 potential/actual employees) to drive down the unemployment rate. Over the first ten months of 2004 BC's unemployment rate has averaged 7.5%, well below an average rate of 8.3% in the January to October period in 2003.

  The national jobless rate remained unchanged from September as a rise in employment (+0.2%) was tempered by a corresponding increase in the labour force (+0.3%). Rates ranged from a low of 4.7% in Alberta to a high of 15.8% in Newfoundland and Labrador.

  Data Source: Statistics Canada

- **Both goods (+0.6%, *seasonally adjusted*) and service (+0.3%) sectors in BC boosted their workforce in October.** In the goods sector, the construction industry added workers for the third straight month (+3.3%), while employment in agriculture soared 15.7% after four consecutive months of declines. However, the manufacturing sector lost 3,100 jobs in October (-1.5%) and the number of utilities workers in the province dropped to its lowest level since December 1987.

  In the service sector, there was a significant gain in employment in professional, scientific and technical services (+7.5%) and job growth in finance and related services (+1.2%) was also robust. On the other hand, health and social services experienced significant job loss (-2.5%), as did the education sector (-1.3%), accommodation, food and beverage services (-1.2%) and transportation and warehousing (-1.1%).

  Data Source: Statistics Canada

- **Regionally, all areas of the province have seen unemployment rates fall, particularly in the north, where rates for the North Coast & Nechako dropped two percentage points to 9.5% (3-month-moving average) and Northeast fell to 4.7%, the lowest rate in the province.** In terms of employment, Thompson-Okanagan has gone against the trend in most of the province with strong growth (+1.2%). The northern regions of the province have also seen some job growth over the last three months, on average, but Vancouver Island/Coast (-1.0%) and Mainland Southwest (-0.3%) have experienced declines in employment.

  Data Source: Statistics Canada

The Economy

- **There was strong growth in the value of building permits issued by BC municipalities (+7.2%, *seasonally adjusted*) in September, bucking the national trend that had the value of building permits fall 3.3% between August and September.** The increase was entirely due to a large jump in residential permits (+16.8%), as the value of permits for non-residential projects dropped 11.7%. Both Vancouver (+17.2%) and Victoria (+16.0%) experienced significant growth in the value of building permits from August to September. However, over the first three quarters of 2004, while Vancouver permits are up 38.4% compared to the same period in 2003, the value of permits in Victoria have slipped 8.2%.

  Data Source: Statistics Canada

- **British Columbia was one of only two provinces that experienced a decline in energy consumption in 2003 (-1.8%).** With the exception of BC and Manitoba (-0.6%), all provinces in Canada increased their energy use, with

Report Importance of Paid Work to Seniors

Did you know...

There may be more than half a million Americans living in Canada that were eligible to vote in the presidential election—that's more than the number of eligible voters in some states.

growth in consumption averaging 3.0% nationwide. Alberta saw the largest increase, at 5.8%.

The main contributors to the drop in consumption in BC were government and commercial users (-9.6%), residential and agricultural consumers (-4.7%) and the mining, oil and gas extraction industries (-8.9%). One of the reasons for waning energy use was that 2003 was a much warmer year in BC compared to 2002. The number of days where the temperature dipped below 18 degrees Celsius fell 6.8% in 2003. Conversely, the number of colder days rose 5.2% across the country.

Data Source: SC, Catalogue 57-003-XIB

Investment Income

- **The number of people in BC reporting investment income edged up 0.8% in 2003 and the amount of income invested climbed 1.2% to $4.6 billion.** The 36% of tax filers in BC reporting investment income was the highest ratio in the country, tied with Saskatchewan. Nationally, 33% of tax filers had investment income and the number of those investors dropped 1.3% with income falling 0.6%. Alberta was the only other province with a rise in the number of people reporting investment income (+1.1%), although a few other provinces experienced an increase in income despite having fewer investors. *Data Source: SC, The Daily*

Charitable Donations

- **British Columbians reported over $865 million in charitable donations in 2003, an increase of 9.3% over 2002.** The number of donors in BC also increased, rising 1.9%. The per cent of total tax filers in BC that claimed a donation was 23%, which is below the national average of 25%. However, at $270, the median amount donated per person in BC (i.e., the amount at which half of all donors claimed less and half claimed more) was well above the national median ($220). With 28% of tax filers claiming donations, Manitoba led the country, while at just 10%, Nunavut had the smallest percentage of tax filers that gave to charities in 2003. Those that did give to charities in Nunavut were among the most generous in the country as the median donation in that region was $410, well above PEI ($330) and Newfoundland and Labrador ($310), which were the only other provinces or territories with median donations exceeding $300.

  For British Columbians that donated to charities, the average amount donated increased with the age of the donor, ranging from a low of $540 for those under 25 to $1,600 for those aged over 65. Over a quarter (26%) of all donors were over 65 and the vast majority (60%) were between 35 and 64. Only 28% of donors earned in excess of $60,000, but they were responsible for almost half (48%) of all donations. *Data Source: Statistics Canada*

RRSP Contributions

- **The number of people in British Columbia contributing to RRSPs slipped 0.6% in 2003; however, the amount contributed increased 1.7%.** British Columbia had the highest median contribution ($2,900) among the provinces, although the median in each of the three northern territories exceeded that of BC. The only other provinces to exceed the national median of $2,600 were Alberta ($2,800) and Ontario ($2,700). Nunavut ($4,300) had by far the largest median contribution. *Data Source: SC, The Daily*

The Nation

- **Foreign control in the Canadian economy remained static in 2002, with foreign-controlled firms holding just over a fifth (22%) of corporate assets, a ratio that has seen virtually no change for the second straight year.** This level of foreign control is similar to that experienced in the mid-1990s. Foreign-controlled assets climbed to almost $1 trillion in 2002, which is double the value recorded a decade earlier. The value of Canadian-controlled assets almost doubled as well (+93%), soaring to $3.4 trillion.

  Not surprisingly, the US is the dominant foreign player in Canada, controlling 62% of the assets of foreign firms, and generating 65% of their operating revenues. Germany, with 7% of foreign-controlled revenue, placed a distant second to the United States. *Data Source: SC, The Daily*

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

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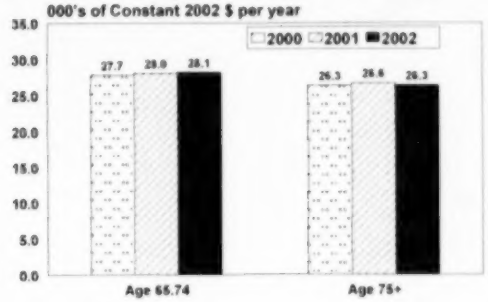
Contact: Anne Kittredge (250) 387-0327
Originally published in *Earnings and Employment Trends*, Issue 04-09. Annual Subscription $60 +GST

The Importance of Paid Work to the Economic Well-Being of Seniors

Statistics Canada produces data on Seniors' characteristics by source of income for various age groups. The information is assembled from Revenue Canada tax data and it provides both the number of seniors in receipt of income from a particular source as well as the total income received.

The breakout by source of income is extensive. In this article our main interest is the importance of paid work to seniors' economic well-being but we will also look at other income sources to help clarify the discussion. The analysis concentrates on the two age groups of 65–74 year olds and 75 years and over.

Total income for seniors has not changed very much in the i three years. In 2002, those over 74 years of age, reported* about $300 less in total income than those age 65–74.

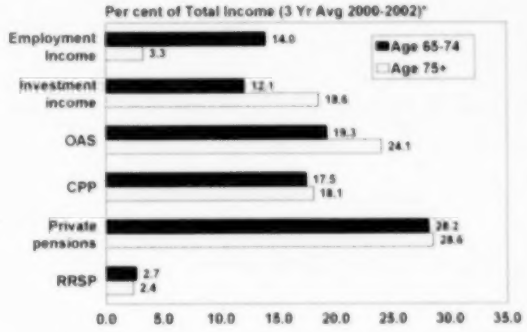


*Reported to the taxman

Real income for seniors age 65–74 edged up slightly between 2000 and 2002 by about $400 per year. An analysis of the source of that extra income shows that income from assets, that is investment income and RRSPs, actually declined by $800. This was fortunately more than offset by a $400 increase in private pensions and a $900 increase in employment income.

Average Income for those over 74 has remained fairly constant between 2000 and 2002 but they suffered a large decline in their investment income, dropping from 20 to 17 per cent of their total income. This loss was tempered by increases in both CPP and Private Pension benefits. While their income levels are lower than their younger counterparts, it is not as low as one might expect. In 2p002, the gap was 6 per cent.

Employment Income remains an important source of income for Seniors age 65 to 74.

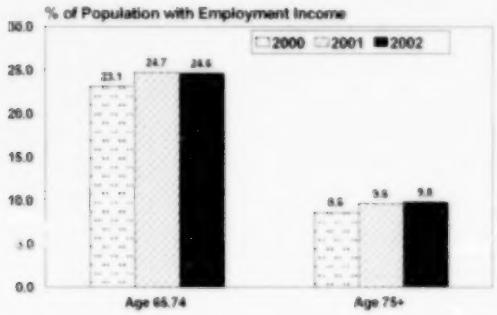


*Note Does not sum to 100 because minor income sources are excluded

The chart above shows that employment income is a surprisingly important income source for seniors between age 65–74. Also of interest is that more than 3 per cent of income among those 75+ comes from paid employment. And for those who do work, the average employment income over the 3 years was $16,000 and $9,000, respectively.

But the value of the income from employment does not fully show the extent of seniors' participation in the workforce. Close to 25 per cent of those age 65 to 74 were in the paid workforce in 2002 and over the three years that participation has been increasing,.

Remarkably, one in 4 seniors, aged 65–74, and one in ten over 75 had paid employment in 2002.



The increase is likely the result of pensioners feeling the pinch from their decline in investment income and are obliged to supplement their income by returning to work. Both the numbers of self-employed and those earning a wage has been increasing.

The numbers from the chart on the previous page imply that the younger age group has considerably less reliance on investment income than those over 74. This may be due to a couple of factors; a considerably larger proportion of the older age group have investment income and they also earn more from that source. One explanation for this divergence might be that those over age 74 have already downsized their residence at a profit and have thus been able to increase their savings. We will probably see a similar trend among the 65–74 year olds as they age—a larger reliance on investment income and a lesser dependence on employment income.

What can we expect from those approaching retirement age? The population age 55–64 has been showing similar trends to those already there. The proportion with investment income has fallen from 55 to 50 per cent and among those with investment income, their revenues have fallen off by 10 per cent. Workforce participation is up with fewer showing signs of heading towards retirement, that is, fewer receiving CPP or a private pension.

The extent to which the age groups approaching retirement will have an increased reliance on RRSPs remains to be seen. But as it stands now, among the retirement-aged population, only about one in ten have any income from RRSPs and the average amount being withdrawn annually is only $7,100 for the 65–74 group and $5,300 for those 75+. This translates into a fairly insignificant income source of not much more than 2.5 per cent. For those moving towards their sixties, how the stock markets, and hence RRSP savings, fare in the next 10 years may prove to be the single most important determinant of the BC labour supply for many years to come.

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also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Jul 1/04	% change on one year ago
BC	4,196.4	1.1
Canada	31,825.4	0.9
GDP and INCOME		
(BC - at market prices)	2003	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	142,418	5.1
GDP *($ 1997 millions)*	130,914	2.2
GDP *($ 1997 per Capita)*	31,572	1.4
Personal Disposable Income *($ 1997 per Capita)*	19,495	-0.4
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Aug	3,659	1.7
Merchandise Exports - Aug	2,799	-0.8
Retail Sales - Aug	3,959	-0.2
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Sep '04	% change
BC	123.5	1.8
Canada	124.9	1.7
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Oct '04	prev. month
Labour Force - BC	2,247	0.4
Employed - BC	2,092	0.6
Unemployed - BC	156	-1.4
		Sep '04
Unemployment Rate - BC *(percent)*	6.9	7.1
Unemployment Rate - Canada *(percent)*	7.1	7.1
INTEREST RATES (percent)	Nov 3/04	Nov 5/03
Prime Business Rate	4.25	4.50
Conventional Mortgages - 1 year	4.90	4.55
- 5 year	6.30	6.40
US/CANADA EXCHANGE RATE	Nov 3/04	Nov 5/03
(avg. noon spot rate) Cdn $	1.2117	1.3313
US $ *(reciprocal of the closing rate)*	0.8271	0.7505
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Oct '04	one year ago
BC	704.14	3.1
Canada	685.08	2.5

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Make your own data tables!

Population data for a number of administrative boundaries in B.C. can now be accessed through a new procedure on the BC Stats web site. Instead of providing static html, the user can now select region type, region, year, sex and five-year age group through an interactive selection process for just the data they need, when they need it. This will allow BC Stats to make available updated population data through the web site faster than ever before. The user has the option of viewing the requested information on screen in their browser and/or downloading the data in spreadsheet friendly comma delimited format files.

Historical data are available by age group and sex; projections are freely available only for population.

www.bcstats.gov.bc.ca/data/pop/pop/estspop.htm

Projected age-sex population data are available through our WebStore.

Life Expectancy at birth is also now available, using the same selection procedure, for a variety of different sub-provincial administrative boundaries.

www.bcstats.gov.bc.ca/data/pop/popstart.htm#vital

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- No subscription releases

Next week

- Labour Force Statistics, October 2004
- Tourism Sector Monitor, October 2004

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